

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



11 - 14 JULY 1964 50X1
~~TOP SECRET~~

1. Cyprus: The buildup of Greek and Greek Cypriot forces continues.

We are still trying to tie down just how many Greek regulars are involved. [REDACTED]

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At the moment our best estimate is that at least 4,000 have been dispersed to various spots on the island. Nearly 900 arrived last night, and we have heard that the Greeks may be aiming at a figure of 7,000-8,000.

There has also been a sharp increase in the amount of equipment, especially artillery, flowing into the island. [REDACTED]

[REDACTED] was able to count twelve 3.7-inch antiaircraft guns and thirty 20-pounders.

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The Turks have not been inactive and have been sending both "fighters" and arms. Far smaller numbers are involved, however, probably less than 1,000 all told.

The island remains mercifully quiet, and observers do not expect this to be broken at least during the talks in Geneva. [REDACTED]

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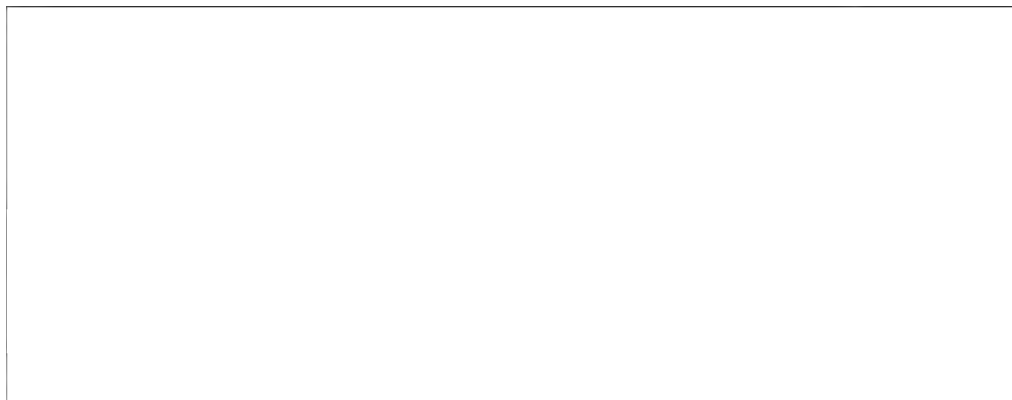
2. Congo: Tshombé plainly means to run a one-man show.

This puts him on a collision course with Kasavubu who wants to remain president. Under the new constitution the presidency will be the most powerful office in the land.



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No sooner had he been sworn in than the rebels in the troubled east began to move once again. And as usual they met little opposition from the small and frightened Congolese Army units in their path.



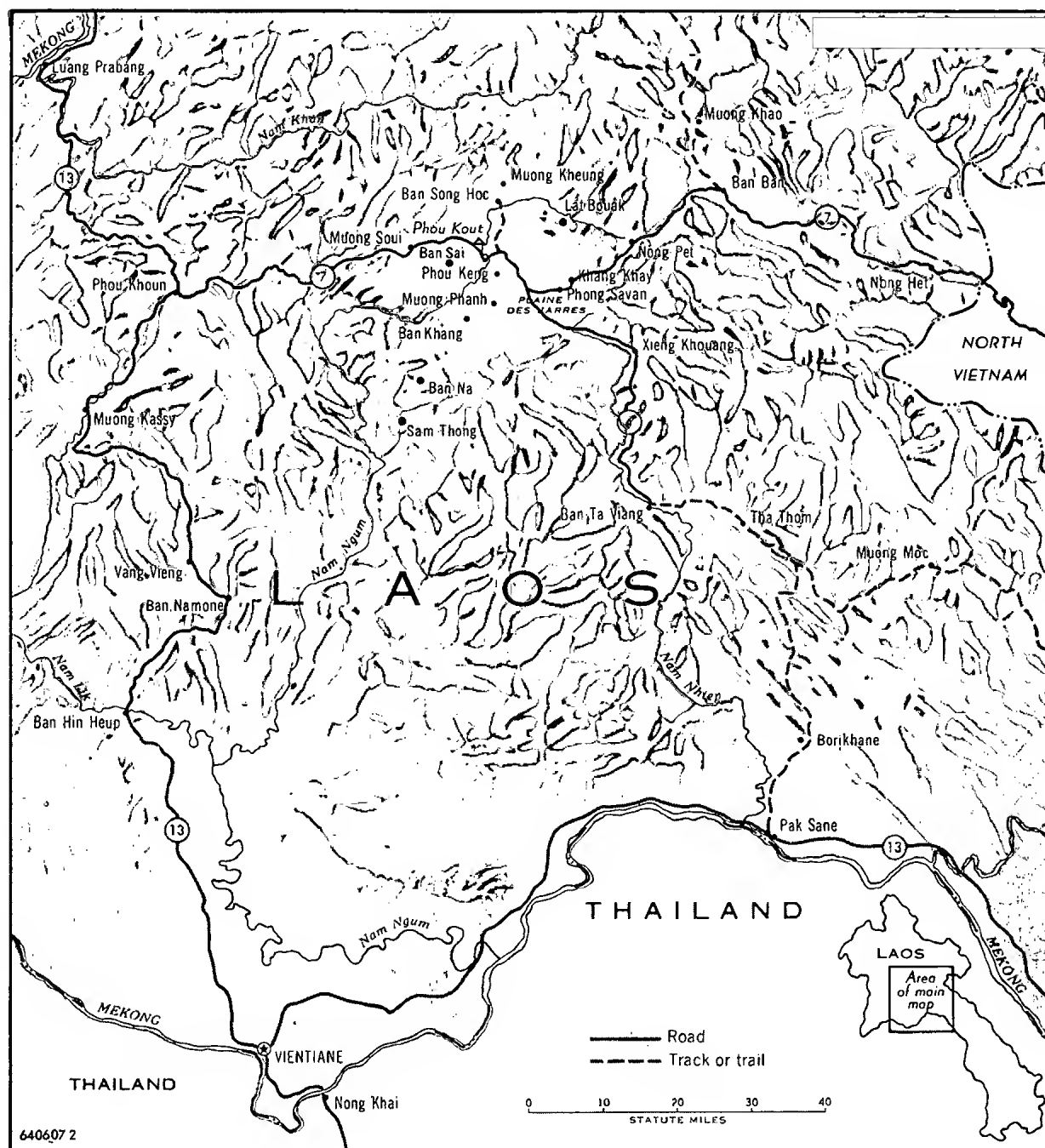
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Trouble for Tshombé could come from still another direction. Already in bad odor with African nationalists, his stock will drop even further if he cuts the Congo's ties with Holden Roberto's Angolan rebels.

A confrontation between the two could take place at the OAU meeting in Cairo next week.

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3. Laos: King Savang has emerged from his palace in Luang Prabang and is playing a more active and constructive role.

He has been in Vientiane this past week presiding over government meetings.

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While this is going on, the lull in the fighting continues.

The Communists, anxious to see just what is going on, sent patrols this week-end against the neutralists south flank.

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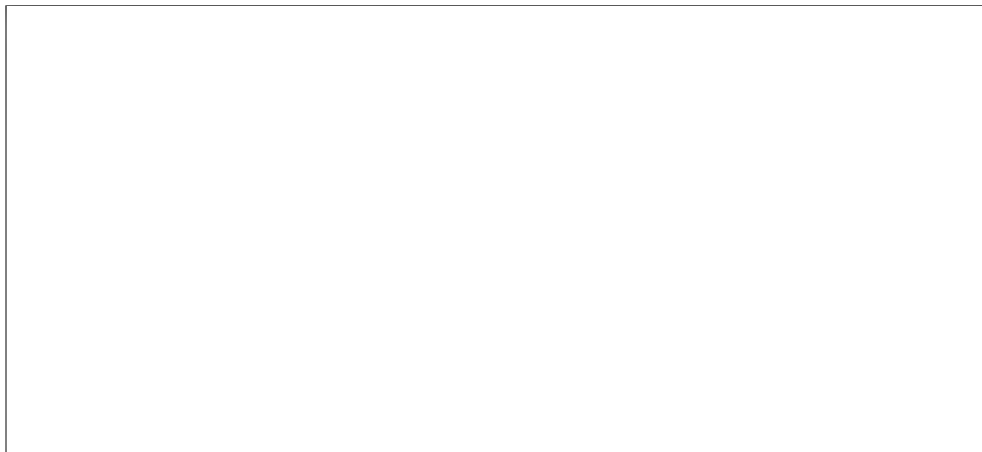
Government forces are being deployed for the planned move north from Vang Vieng, and should be ready to go this week. As usual this has not been a well-kept secret. The press and the Communists seem well informed on the plan.

4. Communist China - Indochina: We are still trying to piece together what transpired at the traveling series of high-level talks, begun last month, in Peiping, Kunming, Hanoi, and Rangoon.

(Cont'd)

It seems fairly certain that Communist policy toward Indochina, in the wake of the stronger US posture, had a leading place on the agenda. For example, Pathet Lao leader Souphannouvong went to Peiping, and, most likely, so did representatives of the South Vietnamese Communists.

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5. South Vietnam: Communist guerrillas have thrown five battalion-sized attacks at government outposts since the beginning of the month. This is the largest number of attacks of this size in any month thus far.


Among these was an assault last Saturday by a force estimated at two battalions or better, the biggest Communist effort in months. Government losses in this action south of Saigon were high.

On Monday a government convoy moving north of Saigon was ambushed, again with fairly high government losses.

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6. North Vietnam - South Vietnam: A great many signs point to a reinforcement of Communist forces in the more northerly provinces of South Vietnam.

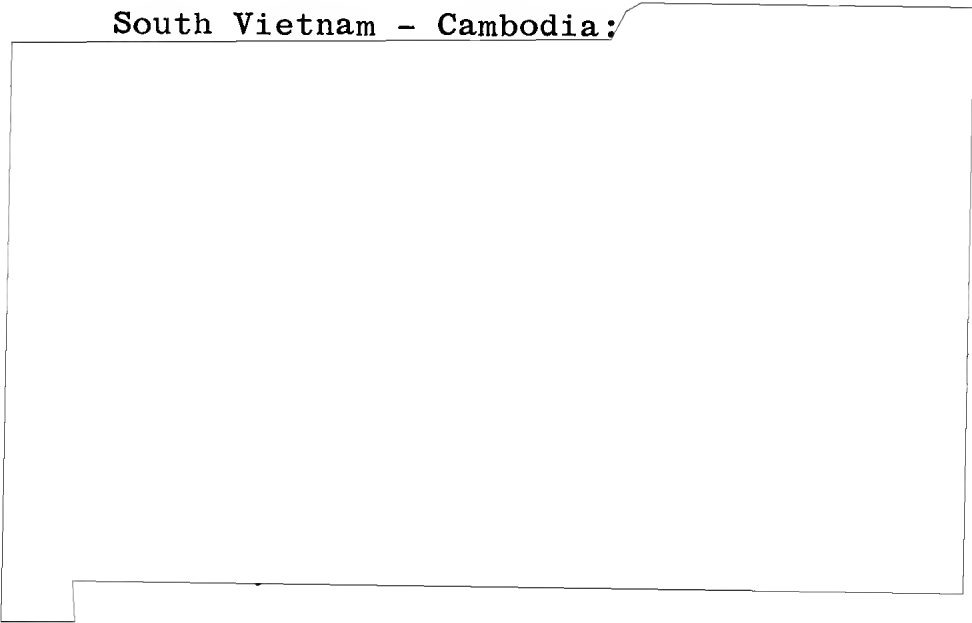
The precise extent of the buildup is not yet known, but among the new infiltrators are North Vietnamese



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We expect to see more North Vietnamese showing up in Viet Cong ranks as the pool of refugee southerners available to Hanoi dries up.

No tactical units of the North Vietnamese forces have been involved as far as we know.

7. South Vietnam - Cambodia:
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8. Brazil: Congress votes this week on a constitutional amendment which will extend Castello Branco as President until March 1967. He has taken a public stance against this but in the end is expected to agree to serve.

Passage of the amendment will bring a storm down around the President. Castello Branco has, however, a reasonably thick skin and no major crisis is expected.



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Goulart partisans, fairly numerous in this area, have been gathering weapons and explosives. We judge that the government can contain the kind of harassing action that seems to be building.

9. Iraq: The government on Tuesday morning announced the nationalization of all banks, insurance companies, and an assortment of factories and commercial establishments. No mention was made of Western oil interests.

The business community was stunned by this sudden move, since Arif had been making soothing sounds about protecting private business.

The decree will depress still more the commercial life of the country and seems sure to fan discontent.

10. Cuba-Trade: Cuban trade negotiators wheeling and dealing in Europe/

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11. France - Communist China: The French are apparently concluding some wheat deals with Communist China. The amount involved may run as high as 1,000,000 tons.

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12. USSR-Canada: We understand that the Soviet minister of agriculture will visit Canada within a month. He may wish to take soundings on further wheat purchases.

13. Haiti: The small band of rebels which landed in southern Haiti two weeks ago is still at large, and there are signs that popular opposition to Duvalier may be awakening.